

Hope Lutheran Church Nanaimo Policies

Our Mission: To live Christ's teachings and share them with others,
to nurture and strengthen spiritual growth to embody Christ in the world.

D – 006 Appendix 1

Instruction for our lay auditors.

General

As auditors you will do a detailed analysis of two months selected at random. Track every general ledger entry, expenditure and income. Should you detect numerous errors, or errors, which are serious in nature, you need to expand the testing to additional months. The sampling technique will work and save time, but it also requires some judgment on your part.

Procedure to audit Income.

- Check how money is received (Sunday offering, mail, office) and what happens to it before it is deposited. Who handles, counts and deposits it? Is it recorded and deposited promptly?
- Compare the entries in the General Ledger with Deposit Slips and deposits recorded on the bank statement.
- Check to see if designated monies were used for their intended purposes.
- Investigate NSF cheques and other items charged back by the bank.
- Investigate any cheques outstanding for more than 30 days.

Procedure to audit Expenditures.

- Examine Payroll records. Has the treasurer complied with government regulations regarding Canada Pension Plan, employment insurance, workers' compensation insurance, income tax withholding? Are church pension plan deductions made? Are all payroll remittances sent by the 15th of the month following deduction? Have T-4 reports been filed?
- Account for all cheques used.
- Check how expenditures are made. Who determines payment? Who schedules benevolence payments? Have these policies been followed?

Audit for Government Reports

Check that the Registered Charity Information Return and Public Information Return have been filed with the Charitable and Non-Profit Organizations Section and that the annual report, financial statements and fees have been filed under the Corporations Act of the province, if applicable.

Prepare Audit Report for Annual Meeting

The Auditor's report to the Church Council and AGM should be complete and fair.

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Suggested Auditor's report format

To the members of Hope Lutheran Church Nanaimo. BC.

We have examined the financial and other records of Hope for year _____ as per guidelines in Hope Policy Manual. Our examination and tests were made in accordance with the instructions in Appendix 1 of the same policy.

We conclude that these financial statements and reports present fairly the financial positions of Hope as at December 31, YYYY with the following _____ comments and recommendations (if applicable) : _____

Signed _____ and _____

Date: _____